

Message Text

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PAGE 01 FRANKF 04902 010328Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-07 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 EPG-02 SIL-01 OMB-01 /086 W
-----017653 010332Z /65/43

R 301006Z JUN 77
FM AMCONSUL FRANKFURT
TO SECSTATE WASHDC 8566
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY OTTAWA
AMEMBASSY PRAGUE
AMEMBASSY VIENNA
AMCONSUL TORONTO

C O N F I D E N T I A L FRANKFURT 4902

C O R R E C T E D C O P Y-TEXT PARA 2 LINE 4 TO READ
1/2 PERCENT VICE 1 1/2

E.O. 11652: GDS
TAGS: EARL, EFIN, CZ, GW
SUBJ: CZECHOSLOVAK BORROWING IN WEST

REF: A PRAGUE 1476, B PRAGUE 1017

1. FIRST NATIONAL BANK OF CHICAGO (FNBC) FRANKFURT
SOURCE CONFIRMS BANKING CONSORTIUM HEADED BY NATIONAL
WESTMINSTER (BRITISH) HAS RECEIVED COMMITMENT FROM
CZECHOSLOVAK OBCHODNI BANK (COB) FOR \$150 MILLION
SYNDICATED LOAN. NATIONAL WESTMINSTER AND OTHER CO-
MANAGERS: FNBC; CHEMICAL BANK; TORONTO DOMINION;
CANADA IMPERIAL; BANK FUER GEMEINWIRTSCHAFT; AND GIRO-
ZENTRAL WIEN HAVE EACH TAKEN \$15 MILLION SHARES. THE
REMAINING \$45 MILLION CURRENTLY BEING PARCELED OUT
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TO OTHER PARTICIPANTS IS EXPECTED TO BE TAKEN UP
QUICKLY.

2. RATE STRUCTURE FOR THE 6 YEAR LOAN IS DESCRIBED
AS 1 1/8 PERCENT OVER LIBOR FOR THE FIRST
FOUR YEARS AND 1 1/4 PERCENT OVER LIBOR FOR THE
NEXT TWO YEARS. MANAGEMENT FEE IS 1/2 PERCENT.

AND "SPECIALIZED BRACKETS" OF 1/8 PERCENT APPLY
TO THE PARCELS TOTALING \$45 MILLION.

3. THIS UNTIED LOAN WILL BE USED BY CZECHS FOR
GENERAL MACHINERY AND EQUIPMENT IMPORTS. SOURCE
FORESEES FURTHER CZECH BORROWING FROM U.S. AND OTHER
WESTERN BANKS TO IMPLEMENT CONTINUING PROGRAM TO
UPDATE AGING CZECH INDUSTRIAL PLANT. SPECIFICALLY,
CZECHS MIGHT WELL RETURN TO EUROMARKET BEFORE END
OF 1977.

4. REPORTED SOURCE OF CZECH DISSATISFCATION (REF
B) WITH SEPTEMBER 1976 LOAN BY GERMAN BANKS COULD
BE THE SLIGHTLY HIGHER INTEREST RATE AT A STRAIGHT
1 1/4 PERCENT OVER LIBOR ASSOCIATED WITH THAT LOAN. LEHMANN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, BANK CONSORTIUMS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977FRANKF04902
Document Source: CORE
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770247-0934, D770233-1058
Format: TEL
From: FRANKFURT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977064/aaaaaczl.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f475e779-c288-dd11-92da-001cc4696bcc
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Review Exemptions: n/a
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Review Release Date: n/a
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SAS ID: 2095270
Secure: OPEN
Status: NATIVE
Subject: CZECHOSLOVAK BORROWING IN WEST
TAGS: EALR, EFIN, CZ, GE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f475e779-c288-dd11-92da-001cc4696bcc
Review Markings:
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